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SUBJECT: Taiwan's Kuomintang Representative Given Warm Reception in Harbin

11. Summary: The 18th Harbin International Fair for Trade and Economic Cooperation attracted participants from all over the world, showing that what was once largely a Sino-Russian event has become truly international. Event organizers claimed two hundred of the world's five hundred largest corporations were represented. However, corporate representatives took a back seat to Taiwan's Kuomintang Representative, Wang Chih-kang, who was an honored guest, placed before any business representatives or representatives of state or local governments. End Summary.

12. The 18th annual Harbin International Trade Fair, June 15-19, attracted large delegations from forty-one different countries, with smaller scale representation from an additional thirty-nine countries. The American Chamber of Commerce in Beijing sponsored an American presentation followed by one-on-one meetings hosted by various American companies. The largest American groups were John Deere, long a major presence in Heilongjiang (its factory in the soybean heartland of Jiamusu converted from joint venture to wholly-owned status in 2004 and last year improved its quality to earn the right to use the official company logo), and Home Depot, which sent a large team from Hong Kong and the United States. Home Depot's goals were two-fold: seeking suppliers while looking for an entry into the Harbin retail building-supplies market. Russia, which is Heilongjiang's number one trading partner (the United States is second), had the largest number of representatives, with more than one hundred companies offering a variety of products from geo-thermal heat pumps to wood products, processed foods, and clothing.

13. Harbin's young and dynamic new Mayor, Zhang Xiaolian, hosted a dinner for high-level guests of the fair. As is typical at such events, they sat with Zhang at the head table and were introduced in precise rank order. Introduced first were national level representatives from Hungary and Czech Republic, immediately followed by Wang Chi-kang, "the representative of Taiwan Kuomintang (KMT) central committee" (taiwan guomindang zhongyanghui daibiao). Wang, formerly Taiwan's Minister of Economic Affairs under Lee Teng-hui, brought a delegation of over one hundred Taiwanese businessmen, making it by far the largest one ever sent to the event by Taiwan. The fourth guest of honor was also from Taiwan: Chang Han-wen, Chairman of the National Association of Taiwanese Businessmen. Only afterward did the mayor recognize state and local government and business representatives.

14. A tour of the various vendor booths revealed a wide variety of goods, many of which were of dubious origin. There were obviously fake "Ralph Lauren" goods, along with what appeared to be knock-off Mont Blanc pens and a variety of phony designer handbags. One of the vendors told Econoff that the goods were made in Fujian Province and then shipped to Dalian. Most of the vendors with counterfeit merchandise hailed from Dalian, in Liaoning Province. Econoff pointed out the suspect goods to Fair organizers who promptly chastised the vendors and closed their booths.

15. There was also a dizzying array of legitimate merchandise. John Deere had an outdoor display that covered nearly 10,000 square feet, featuring a variety of large farm equipment. Other prominent products included log-cabin construction kits, solar geo-thermal and

wind-power systems, and a large variety of kitchenware and small appliances. Most of the non-clothing items on display were of either Chinese or Russian origin. South Korean manufacturers also had a robust presence. While several East European countries sent representatives, their vendors were nowhere to be seen.

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